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UNCLAS SECTION 01 OF 02 OTTAWA 001605

SIPDIS

STATE FOR WHA/CAN, WHA/PDA
WHITE HOUSE PASS NSC/WEUROPE, NSC/WHA

E.O. 12958: N/A
TAGS: KPAO KMDR OIIP OPRC CA
SUBJECT: G8; MIDDLE EAST; IRAQ; U.S. ECONOMIC POLICY

G8
¶1. "We'd be better off with the G-Zero."
Columnist William Watson noted in the conservative English-language daily the Montreal Gazette (6/3): "The big news story in France yesterday was the length of the handshake on Sunday when Jacques Chirac welcomed George W. Bush to the G8 summit. The French press considered it too short, even if it was followed a little later by a friendly pat on the back from Mr. Bush - a pat on the back with no concealed weapon, unlike the backstabbing the Americans feel Mr. Chirac gave them over Iraq.... Whether in handshakes or meetings, Bush's preference is clearly for brevity. Thus he left the G8 sessions yesterday afternoon, just halfway through the agenda. This was widely regarded as a snub to Chirac, which it probably was, but it's also consistent with Bush's well-known impatience with talkfests. Loquacious Bill Clinton would have loved 48 hours of meetings. Taciturn George W. Bush evidently did not.... With the U.S. skipping half the meeting, this year the G8 was the G7.5. It's a step in the right direction. If more members could be persuaded to do the same, we might eventually get down to the G-0. It's hard to believe the world would be worse."

MIDDLE EAST
¶2. "Bush puts his prestige on the line"
Editorial writer David Warren commented in the conservative National Post and the nationalist Ottawa Citizen (6/4): "...Those who do not grasp by now that the President means what he says may be fairly dismissed as impenetrable. Such commentators exist on both left and right, and indeed both ends of the political spectrum seem now to be convinced that Mr. Bush is, with Ariel Sharon in carriage, purposely advancing a `road map' so little different from the old failed Oslo process that he must be expecting it to fail, leaving Israel free, when it does, to settle matters by force. This is, however, a complete misreading of Mr. Bush. He may be foolish, but he is not cynical. He has put his money where his mouth was a sufficient number of consecutive times, and been sufficiently transparent about his intentions, to be relieved of the latter charge.... Notwithstanding, Mr. Bush is putting the credibility of the United States, and his own prestige, on the line. He is banking on the new leverage the United States has as a regional power in its own right - it has occupied Iraq - and on the cumulative effect of the trauma in the Arab world of watching Saddam
Hussein's statue come down, and absorbing that occupation.... Israel most certainly risks getting burned, for the peace Mr. Bush seeks is regional not local.... This is a Herculean task: cleaning the Augean stables, changing the very nature of Arab politics. Mr. Bush believes it cannot be avoided,
and he is right in the middle of it now."

¶3. "New credo"
Jean-Marc Salvet, chief editorialist at the centrist Le Soleil, wrote (6/4): "Many pundits were wrong in believing George W. Bush would shy away from the Israeli-Palestinian conflict.... The world's first power has accepted the idea that a firm commitment on its part would increase the chances of reaching a political settlement in the Mid-East.... Nothing better illustrates the new American determination than the Aqaba summit where the Israeli and Palestinian prime ministers will meet President Bush.... The agreements in principle obtained so far are important but fragile. That is why Washington must see to it that the Road Map is applied and that its interlocutors do not deviate from it."

IRAQ
¶4. "A just war regardless"
Under the sub-heading, "Whether WMDs are found or not, the allies need offer no apologies for liberating Iraq," the conservative National Post opined (6/4): "...As Mr. Bush himself has plainly admitted, the war was always about more than WMDs. It was about creating a new political environment in the Middle East, destroying the cult of militant Arabism that kept

the Palestinian-Israeli conflict simmering, extinguishing a possible nexus between rogue power and terrorism; and, perhaps, in the long term, democratizing the Arab world. Given that these are large, ambitious projects, the U.S. and British leaders would have had a difficult time using them as an explicit basis to justify war. Thus the two government focused, perhaps overly so, on the threat of WMDs and links to al-Qaeda - which are simpler, more tangible themes. But over time, as the larger benefits of Iraq's liberation unfold, we are confident the paucity of WMDs found in the country will come to be regarded in the West as an insignificant footnote to the region's history - much as it already is to the many ordinary Iraqis freed of Saddam's tyranny."

U.S. ECONOMIC POLICY

¶5. "U.S. manufacturing could rescue Canada." Columnist Jay Bryan observed in the nationalist Ottawa Citizen (6/3): "It's an obscure number, and much of the time justifiably so, but when the U.S. is faltering in its job as global economic locomotive, the Institute for Supply Management's measure of manufacturing health, best known as the ISM index, can become a critically important indicator of where the economy is going.... As the Canadian economy staggers under the weight of Toronto's SARS episode, Alberta's mad cow scare and a darkening domestic economic landscape, the importance of exports to the U.S. has become critical.... That's why the apparent revival in U.S. manufacturing couldn't be more welcome. Since Canada's rising interest rates and dollar are acting to squeeze our still-robust growth rate, a reviving U.S. economy is our best hope for a healthy economy this time next year."

CELLUCCI